



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 5, 1999

S. 964

A bill to provide for equitable compensation for the Cheyenne River Sioux Tribe, and for other purposes

*As ordered reported by the Senate Committee on Indian Affairs on October 13, 1999, and
subsequently amended on October 27, 1999*

SUMMARY

S. 964 would compensate the Cheyenne River Sioux Tribe—in 2011—for the taking of certain lands in South Dakota and would authorize appropriations for the construction of a memorial for the Navajo and Mescalero Apache people who were incarcerated at Bosque Redondo, New Mexico, in the 1800s. CBO estimates that implementing S. 964 would increase discretionary spending by \$2 million over the 2000-2004 period, assuming appropriation of the specified amounts. Enacting S. 964 also would increase direct spending by an estimated \$492 million, but pay-as-you-go procedures would not apply because the outlay would not occur until fiscal year 2011.

S. 964 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). State, local, and tribal governments might incur some costs as a result of the bill's enactment, but these costs would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For purposes of this estimate, CBO assumes that S. 964 will be enacted early in fiscal year 2000 and that the authorized appropriations will be provided as specified by the bill. Estimated outlays are based on historical spending patterns for similar activities.

Direct Spending

Title I of S. 964 would provide additional compensation to the Cheyenne River Sioux Tribe for the taking of 104,492 acres of land by the federal government to construct the Oahe Dam

and Reservoir project. Construction of the dam began in 1948 and compensation of about \$10 million was paid to the tribe in 1955. The bill would establish the Cheyenne River Sioux Tribal Recovery Trust Fund and would direct the Secretary of the Treasury to deposit \$291 million in the fund on the first day of fiscal year 2011. An additional deposit equal to the amount of interest that the fund would have earned if the fund had been capitalized and invested in 2001 would be made at the same time. CBO estimates that this additional payment would total \$201 million, for a total deposit of \$492 million in 2011. Once the Secretary pays these amounts, any monetary claims the tribe may have against the United States regarding this project would be extinguished. Starting in 2011, the bill would allow the tribe to spend amounts equivalent to the annual interest earned on the fund pursuant to a tribal spending plan.

As of the start of fiscal year 2000, the federal budget totals exclude trust funds that are held and managed in a fiduciary capacity by the federal government on behalf of Indian tribes. Hence, deposits to the trust fund established under this bill would be treated as payments to a nonfederal entity. As a result, CBO expects that the entire amount deposited to the fund in 2011 would be recorded as budget authority and outlays in that year. Because the trust fund would be nonbudgetary, the subsequent use of such funds by the tribe would not affect federal outlays.

Spending Subject to Appropriation

Title I would authorize the appropriation of such sums as may be necessary to cover the administrative costs of the Cheyenne River Sioux Tribal Recovery Trust Fund. Based on information from the Department of the Interior, CBO estimates that these costs would not be significant in any year.

Title II would authorize the Secretary of Defense, upon the request of the state of New Mexico, to establish the Bosque Redondo Memorial within the boundaries of Fort Sumner State Monument. The bill would authorize appropriations totaling \$2 million over the 2000-2002 period for the Secretary to make grants to New Mexico for up to 50 percent of the cost of constructing the monument. The bill would require the state to match the federal contribution to be eligible for the grants. Based on information from the state, CBO expects these matching funds to be provided during 2000. Assuming appropriation of the specified amounts, CBO estimates that the entire federal share of the cost of constructing the monument would be spent during the 2000-2004 period.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted. Although enacting this legislation would increase direct spending by an estimated \$492 million, pay-as-you-go procedures would not apply to the bill because the outlay would occur in fiscal year 2011.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 964 contains no intergovernmental mandates as defined in UMRA, but it would impose some conditions on the Cheyenne River Sioux and on the state of New Mexico for receipt of federal funds. Title I would require the tribe to prepare and adopt a plan for using payments from the trust fund and to obtain an audit of the funded expenditures. Based on information provided by tribal officials, CBO does not expect that these requirements would result in significant additional costs for the tribe. Title II would require New Mexico to contribute matching funds equal to 50 percent of the costs of constructing the Bosque Redondo Memorial.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY:

Federal Costs: Megan Carroll

Impact on State, Local, and Tribal Governments: Marjorie Miller

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis